MISSISSIPPI LEGISLATURE REGULAR SESSION 2001

By: Representatives Stevens, Moody

To: Insurance

HOUSE BILL NO. 667
(As Sent to Governor)

AN ACT TO AMEND SECTION 83-9-39, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT CERTAIN HEALTH INSURANCE POLICIES PROVIDE COVERED BENEFITS FOR THE TREATMENT OF MENTAL ILLNESS; TO PROVIDE EXEMPTIONS; TO AMEND SECTION 83-9-41, MISSISSIPPI CODE OF 1972, TO INCREASE THE MINIMUM OUTPATIENT VISITS ALLOWED EACH YEAR FOR TREATMENT OF MENTAL ILLNESS AND TO REMOVE THE LIFETIME LIMITS; TO CREATE NEW CODE SECTION 83-9-40, MISSISSIPPI CODE OF 1972, TO PROVIDE THE REQUIREMENTS FOR DETERMINING ELIGIBILITY FOR CERTAIN EXEMPTIONS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 83-9-39, Mississippi Code of 1972, is amended as follows:

83-9-39. (1) (a) Except as otherwise provided herein, all alternative delivery systems and all * * * group health insurance policies, plans or programs regulated by the State of Mississippi shall provide covered benefits for the treatment of mental illness, except for policies which only provide coverage for specified diseases and other limited benefit health insurance policies and negotiated labor contracts. This coverage for treatment of mental illness shall not be required if the application of this provision results in an increase in the cost under the plan or coverage of one percent (1%) or more as determined in Section 83-9-40.

(b) Health insurance policies, plans or programs of any employer of one hundred (100) or fewer eligible employees and all individual health insurance policies which are regulated by the State of Mississippi which do not currently offer benefits for treatment of mental illness shall offer covered benefits for the treatment of mental illness, except for policies which only

provide coverage for specified diseases and other limited benefit health insurance policies and negotiated labor contracts. This coverage shall be offered on an optional basis, but the owner of the policy, plan or program must reject such coverage in writing.

(2) Covered benefits for inpatient treatment of mental illness in insurance policies and other contracts subject to Sections 83-9-37 through 83-9-43 shall be limited to inpatient services certified as necessary by a health service provider.

(3) Covered benefits for outpatient treatment of mental illness in insurance policies and other contracts subject to Sections 83-9-37 through 83-9-43 shall be limited to outpatient services certified as necessary by a health service provider.

(4) Before an insured party may qualify to receive benefits under Sections 83-9-37 through 83-9-43, a health service provider shall certify that the individual is suffering from mental illness and refer the individual for the appropriate treatment.

(5) All mental illness, treatment or services with respect to such treatment eligible for health insurance coverage shall be subject to professional utilization and peer review procedures.

(6) The provisions of this section shall apply only to alternative delivery systems and individual and group health insurance policies, plans or programs issued or renewed after July 1, 1991.

(7) The exclusion period for coverage of a preexisting mental condition shall be the same period of time as that for other medical illnesses covered under the same plan, program or contract.

SECTION 2. Section 83-9-41, Mississippi Code of 1972, is amended as follows:

83-9-41. (1) Covered benefits for services in this section shall be limited to coverage of treatment of clinically significant mental illness.

(2) Treatment under this section shall be covered for a minimum of thirty (30) days per year for inpatient services, a minimum of sixty (60) days per year for partial hospitalization, and a minimum of fifty-two (52) outpatient visits per year.

(3) The rate of payment for inpatient services and partial hospitalization shall be the same as provided for any other condition. The rate of payment for outpatient visits shall be a minimum of fifty percent (50%) of covered expenses which may be limited to a maximum payment of Fifty Dollars ($50.00) per visit.

* * *

SECTION 3. The following section shall be codified as Section 83-9-40:

83-9-40. In order to determine if the treatment of mental illness benefit coverage required in Sections 83-9-39 and 83-9-41 results in an increase in the cost under a group health insurance plan of one percent (1%) or more, the total cost incurred by the plan, including both mental health costs and medical/surgical costs, must be divided by such total cost reduced by the costs solely required to comply with Sections 83-9-39 and 83-9-41. Such costs include mental health claims that would have been denied absent plan amendments required to comply with Sections 83-9-39 and 83-9-41, the administrative costs related to those claims and other administrative costs attributable to complying with Sections 83-9-39 and 83-9-41. Premium payments are not considered in this calculation. The ratio is mathematically expressed by the following formula:

$$\frac{IE}{IE - (CE + AE)} \geq 1.01000$$

For purposes of this section:

"IE" means the incurred expenditures during the base period. "CE" means the claims incurred during the base period that would have been denied under the terms of the plan absent plan amendments required to comply with Sections 83-9-39 and 83-9-41.

"AE" means administrative costs related to claims in CE and other administrative costs attributable to complying with Sections 83-9-39 and 83-9-41.

"Base period" means the period that begins on the first day in any plan year that the plan complies with the requirements of Section 83-9-39 and 83-9-41 and shall extend for a period of at least six (6) consecutive calendar months. The base period shall not begin before January 1, 2002.

A group insurance plan may exercise the exemption as soon as the plan documents a cost increase of one percent (1%) or more and provides a thirty-day notice to participants and to the Department of Insurance for informational purposes.

SECTION 4. This act shall take effect and be in force from and after January 1, 2002.